

Date: 18th APRIL 2022

NIFTY



Nifty continued to trade lower for the third straight day of a week and got arrested near its 21- day exponential moving averages for the second consecutive day on the daily time frame.

Benchmark index on the weekly chart has formed a bearish evening star candle stick pattern and has drift below 17500 levels with a loss of more than one and half percent. From second week of the Oct 21, momentum oscillator RSI (14) is reading in a lower low lower high formation on the weekly time frame indicates a lack of momentum in the current trend.

MACD indicator has given an early reversal signal on the daily chart by crossing below its signal line on the daily scale. The higher high higher low formation on the Nifty will be neglected if prices closed below 17300 levels.

India VIX on the daily time frame continues to settle below 21- DMA and it is also placed below 20 levels in the last couple of days. A VIX index drifting lower is definitely a good sign for the traders as will be less volatility and a stable move.

After this week's close, on the lower end, support is visible at 17300 - 17150 whereas resistance is seen at 17,850-17,950.

BANK NIFTY



It was a narrow range truncated week for the Bank Nifty where we got only three trading sessions and prices witnessed very narrow range movement with amid volatility. The chart wise we have not seen a much technical progress on the weekly time frame where it just closed marginally below its previous weeks candles.

For the entire week, prices continue to trade above their 21 – day exponential moving average which is placed at 36921 levels. Currently, prices on the weekly chart have halted near the resistance of a downward sloping trend line.

The momentum oscillator RSI (14) has given a horizontal trend line breakout above 55 levels and the indicator has retested in this recent throwback near its trend line support.

The immediate support for the Bank Nifty is placed near its 21 DMA which is placed at 36900 levels and the upper band of the index is capped at 38700 levels if the Banking index is closed above the said levels then the gate for the prices is open till 39400 levels.

Sector Look: NIFTY PHARMA INDEX



Index was trading in a lower high lower low formation since last six months and has formed a falling channel pattern on the weekly time frame.

Nifty Pharma index has given breakout of a falling channel pattern on the weekly timeframe and prices may resume its prior uptrend in the coming trading sessions.

For the entire week, prices continue to trade above their 21 – day exponential moving average which is placed at 13630 levels. The momentum oscillator RSI (14) has given a horizontal trend line breakout above 55 levels and the indicator has retested in this recent throwback near its trend line support.

The immediate support for the Nifty Pharma index is placed near its moving average cluster which is placed at around 13500 levels and the upper band of the index is capped at 14000 levels if the Pharma index is closed above the said levels then the gate for the prices is open till 14300 levels.

Weekly Stock Idea: RAMCO CEMENT



After forming a bullish ABCD harmonic pattern on the daily chart prices consolidated in a triangle pattern for more than a month and traded within a very narrow range.

On the 5th April prices have given a decisive breakout above its trend line resistance which is also a breakout of a triangle pattern at 802 levels with above average volumes.

On the broader time frame prices have also given a breakout above its five week high and RSI (14) has shown a sharp bounce back from oversold levels with positive crossover.



Weekly Market Strategy

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Disclosure:

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